

# I. INTRODUCTION

This guide will assist financial aid administrators (FAAs) in interpreting student information, whether the information appears in a Student Aid Report (SAR), which is a paper output document that is sent to the student, or in an Institutional Student Information Record (ISIR), which is an electronic record that is sent to the institution.

The term ISIR refers to all processed student information records that are sent electronically directly to institutions by the Central Processing System (CPS). SARs and ISIRs contain the same processed student information in different formats.

ISIRs are records sent to an institution through the Electronic Data Exchange (EDE), the Department's electronic service that allows institutions to send and receive electronic applications and corrections to and from the CPS. Drafts of the 1999-2000 ISIR layout for institutions and state agencies have been provided at conferences beginning in July 1998, and can be downloaded from the IFAP web page in portable document format at: <http://ifap.ed.gov>

This *Guide to 1999-2000 SARs and ISIRs* explains codes and flags that appear as FAA information on the SAR and ISIR. Each code and flag described in the guide—rejects, database matches, comment codes, and so forth—has the same meaning whether it appears on a SAR or an ISIR. The format for presenting the codes may vary slightly for each type of output.

Although the changes to the design and data elements on the 1999-2000 Free Application for Student Financial Aid (FAFSA) have required corresponding changes to the SAR and ISIR, we made very few changes to the 1999-2000 application processing system. Much of the information in the SAR/ISIR guide remains the same as for 1998-99.

## 1999-2000 Major System Changes

### *Changes to CPS Edits*

Changes to the CPS reject edits include the following:

Rejects 2 and 3, which apply when insufficient income information is provided on an original application or a Renewal Application respectively, have been combined into a single reject which will be Reject 2.

Reject N, which is triggered when either the applicant's first name or last name is blank, will no longer apply to Renewal Application records.

Reject 8 has been added for records which are returned from the Social Security Administration match with the SSN confirmed as belonging to a deceased person.

Other rejects associated with inconsistent asset value and debt information have been eliminated as they no longer apply because the questions on the FAFSA have been changed to reflect net worth for each asset field.

Changes to the assumptions performed by the CPS include the addition of a new assumption that student's number of family members is equal to 1 when the student's marital status is not married and legal dependents other than a spouse is "No." Assumptions have also been added to assume the Earned Income Credit fields to the maximum allowable amount when an amount greater than the maximum has been reported.

Students who are using FAFSA Express, FAFSA on the Web, or Renewal FAFSA on the Web will be able to set the assumption and reject overrides that currently can be set by the financial aid administrator when using EDEExpress. When data entered hits one of the assumption or reject edits, a screen will display that prompts the user to review the information and either correct or confirm it.

Two changes have been made to correctable fields. The student's title field has been replaced with the "Are you male?" question. This will be a correctable field. The Early Analysis flag that is set on FAFSA Express and FAFSA on the Web records for early admission filers will be correctable through EDEXpress for 1999-2000.

New edits have been added which use the aggregate loan information provided by NSLDS to identify students who are either within one annual loan limit of the maximum aggregate for their grade level, or have exceeded the maximum aggregate for their grade level. A comment will appear on the SAR/ISIR for both edits and a SAR "C" code will appear if the maximum has been exceeded.

#### *Changes to CPS Matches*

As described in 1999-2000 Action Letter #3 (GEN-98-26), we have added a new database match with the Department of Veterans Affairs to confirm a student's claim to be a veteran. This match will be implemented at startup of the 1999-2000 processing system on January 15, 1999. See Appendix B for information on the various flags, comments, and resolutions.

By May of 1999, we will implement a new match with the Social Security Administration (SSA) and expand an existing match. These matches will be conducted on 1999-2000 financial aid applicant records and will be made against the SSA's date of death field and its Prisoner's File. These matches are intended to detect when someone might fraudulently be attempting to receive Title IV aid.

Match with Date of Death Field: The current Social Security Number (SSN) match with the SSA will be expanded to include the SSA's Date of Death field. This field is maintained by SSA and is updated when the SSA is notified of an individual's death. When a date of death is provided to ED through the SSA match, applicants will receive a rejected SAR/ISIR (Reject Code 8) and a comment (Comment 145) telling them that SSA records indicate their SSN

belongs to a deceased person. The SSN Match Flag will be 5. If the SSA's records are incorrect, the applicant **must** resolve the error with the SSA. Once the SSA corrects its records, the student must re-enter his or her SSN on the SAR/ISIR and have the CPS perform the match again so that a new SAR/ISIR can be generated with updated match results. As with other SSA match results, if a student entered an incorrect SSN on the FAFSA, the student must correct the SSN on his or her SAR or ISIR, or on a new FAFSA, as appropriate, and the CPS will run the match again. See Appendix B (Social Security Number match) for further information.

Match with Prisoner's File: ED will also implement a separate match against the Prisoner's File maintained by the SSA. While the details of this match are still being finalized, it is likely that ED will provide a comment on the student's SAR/ISIR about the type of prison facility the student is incarcerated in (i.e., federal, state, local) and the approximate date the inmate will be released from prison. A SAR "C" Code will also likely appear on the SAR/ISIR. Although students incarcerated in federal and state prisons are ineligible for Federal Pell Grants and Title IV loans, they may be eligible for state funding; therefore, a match with the SSA's Prisoner File will not result in a rejected record. When procedures for this match are finalized, ED will post them on the IFAP.

#### *Changes to FAA Information*

In the FAA Information sections that appear on SARs and ISIRs, we added a new match flag for the Department of Veterans Affairs (VA) match.

#### *Changes to NSLDS Information*

We made several changes to the Financial Aid History page on SARs and ISIRs. A mockup of the page that will print with the SAR and ISIR can be found in Appendix F and detailed information about each change can be found in Appendix C. Following is a summary of the most important changes:

The Aggregate Amount section has been reorganized so it is easier to read and the Unsubsidized loan field has been deleted and replaced with a “Combined loans” field. This field reflects the total amount of subsidized and unsubsidized loans the student has borrowed.

Pell Grant data has been expanded to include up to three disbursement records for the current award year (1999-2000). The EFC and Verification flag has been added for each disbursement record.

In the “Loan Detail” section, up to twelve of the student’s loans sorted by Loan Begin Date and Outstanding Principal Balance will continue to appear. A new grade level field for each loan record has been added. This field indicates the grade level used by the financial aid administrator when the FFEL was certified or Direct Loan was originated.

#### *Changes to Student Aid Report*

The section headings and data elements on the SAR have been revised to match the 1999-2000 FAFSA. All student information will be displayed first, followed by the dependency questions, and then by parent information.

The “Instructions and Codes” page that every student receives with the SAR has been reformatted to make it easier to follow. Information on accessing the Department’s Web sites has been added for getting help as well as submitting FAFSAs and Renewal FAFSAs over the Web.

The student’s Data Release Number (DRN) will be printed on the front of each page of the SAR.

On Part 2 of the SAR, we added instructions for reporting dollar amounts in the financial fields and included an example.

Please see the SAR mockups in Appendix F to review these changes.

## **Processing Flow**

The flow of information through the system remains the same in 1999-2000 as in 1998-99.

The student starts the process by filling out a financial aid application, and this information is “processed” through the system and returned to the student and institution. The application information can be submitted on paper, electronically at the school through the Title IV Wide Area Network (TIV WAN), through FAFSA Express, or over the Internet using FAFSA on the Web or Renewal FAFSA on the Web.

The charts on the following page show how information about a financial aid applicant flows through the system for the various types of applications and corrections. The major participants and documents or records in the application process are:

- 1) The U.S. Department of Education (ED).
- 2) The student. He or she may apply for federal student aid under the Title IV programs—Federal Pell Grant, Federal SEOG, Federal Work-Study, Federal Perkins Loans, the Federal Family Education Loan Program, and the William D. Ford Federal Direct Loan Program.
- 3) The applications. The paper Free Application for Federal Student Aid (FAFSA), the paper Renewal FAFSA, FAFSA Express, the electronic FAFSA or Renewal FAFSA through EDEExpress, FAFSA on the Web, or Renewal FAFSA on the Web, that the student must complete and submit in order to apply for federal student aid.
- 4) The FAFSA processor. One organization will serve as the data entry processor for the 1999-2000 school year under contract with ED. The FAFSA processor receives applications in the mail, performs document analysis to check that signatures are present and dates are acceptable, and handles missing or unacceptable responses. The processor images the application, enters the information from the application, and transmits it electronically to the CPS.

## 1999-2000 Federal Application Processing System

### *Paper and Electronic Processes*

#### **EDExpress**

**Student (spouse, parents) completes a paper FAFSA or Renewal FAFSA; or**

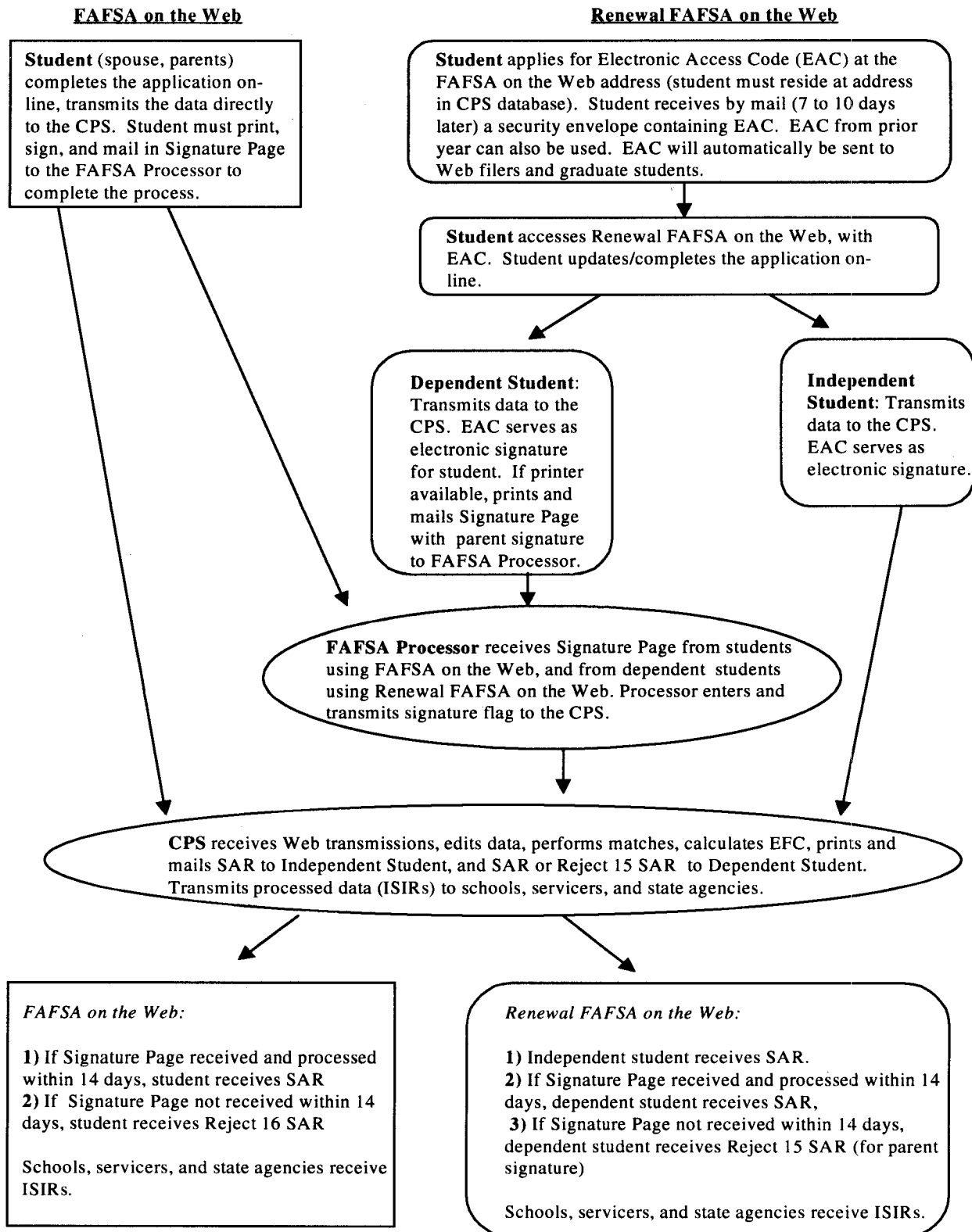
#### **Paper Process**

**Student (spouse, parents) completes a paper FAFSA or**

#### **FAFSA Express**

**Student uses FAFSA**

## 1999-2000 Federal Application Processing System Internet Process



5) The Central Processing System (CPS). The CPS operates under a contract with ED to receive and process application information. The CPS matches student records with other data bases to check eligibility. The CPS also applies a series of “compute edits” to the application information to check for inconsistencies, contradictions, and missing information. During the compute process, the CPS uses the need-analysis formula specified in the Higher Education Act of 1965, as amended, to calculate each applicant’s expected family contribution (EFC).

6) The Student Aid Report (SAR) and the SAR Information Acknowledgement. These paper documents provide the student with processed application information. The CPS prints SARs and mails them directly to the address the student provided.

7) The Institutional Student Information Record (ISIR). ISIRs are produced by the CPS and provide the institution with processed application information. ISIRs are transmitted electronically to destination points (schools and servicers) daily through EDE.

8) The school. The school refers to every postsecondary educational institution that the student listed on the financial aid application. The financial aid administrator (FAA) at the school will use the processed information from the SAR or ISIR to determine what federal aid the student is eligible to receive. Schools and states may also use information from the SAR or ISIR to award their own financial aid.

## **Transactions**

A “transaction” is an interaction between the CPS and the financial aid applicant, or the school acting on behalf of the applicant, that changes any of the data on the applicant’s record. Each transaction results in a new SAR and/or ISIR, and is identified by transaction number (i.e., 01, 02, 03). A transaction may sometimes be “system generated.” For example, when a student’s eligibility for federal student aid changes on the National Student Loan Database System, the CPS will automatically reprocess the application

information and generate a new transaction without additional input from the student or from a school. Beginning in 1999-2000, ISIRs for these system-generated transactions will be sent to the school in a separate electronic message class.

The transactions discussed here will be those where there has been interaction between the student and the system, or the school and the system. When application data first enter the CPS and are processed, the report that results is called the “01” transaction. The student receives a SAR and the listed schools receive ISIRs. If corrections are necessary, the student makes these changes on Part 2 of the SAR, returns the SAR to the FAFSA Processor, and the information is reprocessed. Alternatively, a school can enter corrections electronically through EDEExpress, even if the school did not submit the original application electronically. The corrections generate a new record that is identified as an “02” transaction. This second type of transaction is called a “correction,” although the term also is used to refer to students’ updating information.

To make a correction transaction, the student changes at least one data element. The change can be anything, even an address correction or the addition or change of a school. The first correction is labeled “02,” and subsequent corrections are labeled “03,” “04,” and so forth. Identifying the correct transaction is important when reporting Pell Grant payments and when requesting duplicate SARs or ISIRs. A duplicate will always be generated from the most recent transaction unless another, earlier transaction is specified.

For 1999-2000, the maximum number of transactions that an applicant may have is 40; when a student has corrected or updated information more than 20 times, the student will receive SAR comment 106, advising him or her to seek assistance from the financial aid administrator.

## Two-Part SARs

Part 1 of the SAR is an Information Summary that contains information for both the student and the FAA. Part 1 summarizes all the information reported by the student on the FAFSA plus the results of processing the information.

Part 2 of the SAR is used by the student to make corrections to application data. Corrections can also be entered electronically by the school. Part 2 of the SAR may be an Information Review Form (IRVF), which reports FAFSA information for the student to review and correct, if necessary. Part 2 of a rejected SAR is called the Information Request Form (IRQF). For this type of SAR, an EFC could not be calculated and the student is required to make corrections.

In the case where a student's application is entered electronically by the school, the student receives a SAR Information Acknowledgement. This type of SAR has only one part and resembles Part 1 of a two-part SAR, although the FAA Information and the student's comments vary somewhat. The reason that the student gets this "abbreviated" SAR is because the Department assumes that if any changes need to be made, the student can go to the school and the school will make the changes electronically.

Subdividing SARs into major types may help in understanding references to "an eligible SAR," an "ineligible SAR," or a "rejected SAR." The term "eligible" describes a SAR for an applicant whose EFC and undergraduate status indicate eligibility for a Pell Grant. The term "ineligible" describes a SAR for an applicant whose post-baccalaureate status or high EFC makes him ineligible for a Pell Grant. The term "rejected" describes a SAR that does not have a calculated EFC.

### SAR Type

### Student receives:

Pell-Eligible—EFC is 2925\* or less, and applicant is not a graduate student and does not have a bachelor's degree

Part 1, Part 2 (IRVF)

Pell-Ineligible—EFC is greater than 2925\*; or applicant has a bachelor's degree or will be enrolled in a graduate or professional program

Part 1, Part 2 (IRVF)

Rejected—no EFC is calculated (all reject reasons except 15, 16, or 19)

Part 1, Part 2 (IRQF)

Rejected—Reject Reason 15 or 16, no EFC is calculated (paper application missing parent signature for dependent student, FAFSA Express or FAFSA on the Web, or Renewal FAFSA on the Web application processed without required signatures)

Part 1, Part 2 (IRQF and certification statements)

Rejected—Reject reason 19, no EFC is calculated (applicant is in an ED hold file)

Part 1, Part 2 (IRVF)

## Highlights and Assumptions

### *Paper System Highlights and Assumptions*

Students are instructed to review information on the SAR carefully for accuracy. Items requiring special attention are "highlighted" by printing them in boldface type. Both the student and FAA need to pay careful attention to questions and responses that are highlighted.

\* Maximum EFC for 1999-2000

During the edit process, the CPS applies logic in comparing two or more pieces of information provided by the student. The CPS highlights information that is conflicting, missing, or contradictory. Items that are questioned are highlighted on Part 2 of the SAR.

In certain instances the application is rejected because of a conflict—for example, the student answered that he or she is not married but provides financial information for a spouse. The CPS will reject this application (Reject 11) and print the questioned items in boldface type on Part 2 of the SAR. The CPS will not calculate an EFC, because key financial information is conflicting.

In other situations, the CPS makes an “assumption” and does not reject the student’s record. For example, a student reports that he/she is married and provides spouse’s income, but reports only one person in the household. In this case, the CPS assumes there are two persons in the household, highlights both questions and responses on the SAR, and calculates an EFC if the record is not rejected for other reasons. Both the reported and the assumed values are printed, with the word “ASSUMED” in parentheses next to the assumed response that was used in the EFC calculation.

Assumptions are most often made by the system when questions are left blank. Once an answer is assumed, the assumed information is used throughout all the subsequent edits and in the EFC calculation.

If the CPS makes an assumption, but then rejects the record for other reasons, an EFC is not calculated and the assumed values are not used. In this situation, the student receives an IRQF (Information Request Form) as Part 2 of the SAR, with arrows printed next to the questionable line items. The student is required to correct them.

### *Electronic System Highlights and Assumptions*

All application software contains certain edits that prompt users entering application data to resolve inconsistencies before sending the information to the

CPS. These edits are contained in the EDEExpress, FAFSA Express, FAFSA on the Web, and Renewal FAFSA on the Web applications. When inconsistencies or missing data would cause the record to be rejected at the CPS, the software does not allow the record to be completed or transmitted until information is changed or added. When these inconsistencies would cause an assumption, however, the user is prompted to review and change the data, but will be allowed to transmit the record even if a change is not made. The ISIR that a school receives will set an “h”, for highlight, next to the items on which assumptions were made.

In the EDEExpress software, an FAA can override certain assumptions that would be made at the CPS. When an FAA sets an override code on an electronic application, the CPS accepts the data as reported and does not make an assumption about that item. For example, if a student indicates more than two family members are attending college, and also indicates the same number of persons live in the household (e.g., four in the household and four in college), the CPS would assume “one” person in college during processing. If, in fact, there are four family members attending college, the FAA can eliminate the need for a correction by setting the appropriate override flag in the EDEExpress software.

In addition, EDEExpress allows the FAA to override certain “verifiable rejects” by setting a reject override flag before transmitting the student’s application. For example, a student may have an unusually large number of family members. If the FAA sets the appropriate override flag before sending the student’s record, the student’s record will not be rejected.

For 1999-2000, student’s who are using FAFSA Express, FAFSA on the Web, or Renewal FAFSA on the Web will be able to set the assumption and reject overrides described above by confirming the data that they have entered. When data entered hits one of the assumption or reject edits, a screen will display that prompts the user to review the information and either correct or confirm it.